

VZCZCXYZ0020
PP RUEHWEB

DE RUCNDT #1191 1632109
ZNR UUUUU ZZH
P 122109Z JUN 06
FM USMISSION USUN NEW YORK
TO SECSTATE WASHDC PRIORITY 9319

UNCLAS USUN NEW YORK 001191

SIPDIS

SIPDIS

E.O. 12958: N/A
TAGS: [AORC](#) [KUNR](#) [UNGA](#)
SUBJECT: UN CAPITAL MASTER PLAN: POSSIBILITY OF BUILDING A
PERMANENT BUILDING

REF: USUN 911

¶1. SUMMARY: As requested in resolution 60/256, the Secretary-General has prepared a report providing a business

SIPDIS

analysis on the possibility of constructing a new permanent building on the North Lawn. The report states that there is a cost advantage in the long-term to constructing a building to consolidate UN offices, but recommends that the issue be considered independently from the Capital Master Plan (CMP), given the urgency of the renovation requirements. END SUMMARY.

¶2. The report provides an analysis of three scenarios: continuing to lease space in UNDC-1, UNDC-2 and other buildings; occupying a building on the North Lawn in 2015 (the earliest a building could realistically be ready); and occupying a building on the North Lawn in 2023 (when current favorable lease agreements expire for UNDC-1 and UNDC-2). The break-even points for the second and third scenarios are similar on both a nominal (14.2 vs. 14.0 years) and net present value basis (21.1 vs. 21.3 years using a 5 percent discount rate). Continuing to lease current office space is the most expensive option on both a nominal and net present value basis. The analysis assumes that the new building would not/not be used as swing space for the Capital Master Plan and is therefore different than the idea presented in A/60/550, where the Secretary-General explored building a new building on the North Lawn that would serve as swing space during the construction phase of the CMP and as a consolidation building thereafter.

¶3. The Secretary-General notes that there are further factors that should be considered in a more comprehensive feasibility study that have not been included in the current business analysis. These factors include security advantages or disadvantages, architectural issues, and Host City and Community issues. The Secretary-General states that the cost of a comprehensive feasibility study is approximately one percent of the cost of construction and would take at least one year to complete. The estimated cost of construction for a building ready for occupancy in 2015 is \$627 million, while a building ready for occupancy in 2023 is estimated at \$939 million.

¶4. Secretary-General recommends that the General Assembly take note of this report, decide to continue with the CMP and approve the recommended strategy IV for the CMP. The Secretary-General also recommends that the GA decide to

SIPDIS

revert to the consideration of a comprehensive feasibility study on building a permanent building on the North Lawn at the sixty-first session and request the SG to report to the GA on proposed terms of reference for this study at that time. It is expected that ACABQ will endorse the first three recommendations, but not the final recommendation to revert

to the issue of the permanent building.

BOLTON